

Lapland captivated international travellers

ON THE WHOLE, THE FINANCIAL YEAR 2024-2025 WAS A GOOD PERIOD FOR LAPLAND HOTELS & SAFARIS OY. FOR LAPLAND SAFARIS, IT WAS THE BEST FINANCIAL YEAR IN THE COMPANY'S HISTORY. INTERNATIONAL DEMAND FOR LAPLAND DESTINATIONS WAS AT A RECORD-HIGH LEVEL, WHILE DOMESTIC DEMAND CONTINUED TO WEAKEN. THE MOST SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR INCLUDED LAPLAND SAFARIS' ACQUISITION OF THE BUS TRANSPORT BUSINESS OF LIIKENNE O. NIEMELÄ, THE START OF THE EXPANSION PROJECT OF LAPLAND HOTELS OULU, AND THE RESTAURANT EXTENSION OF LAPLAND HOTELS SNOWVILLAGE.

The financial year 2024–2025 brought growth in international tourism and momentum for advancing our investments. Turnover amounted to EUR 171 million. Challenges arose from the sluggish domestic market and from the temporary closure of our Oulu hotel for four months due to the expansion project.

Within our travel group, Lapland Safaris achieved its best financial year ever. Lapland Safaris expanded its services by acquiring the bus transport operations of Liikenne O. Niemelä. Most of the increase in Safaris' turnover was driven by international tourism. In our hotel operations, a key focus was the expansion of Lapland Hotels Oulu, which began in January 2025 and will be completed by the end of 2026.

Demand at our city destinations showed slight growth. International demand in Lapland increased significantly during the winter season, while domestic demand declined. International tourism was supported in particular by improved flight connections, whereas domestic travel was affected by the challenging general economic situation. The 4-percentage-point VAT increase introduced at the beginning of 2025 applied to accommodation, activity services and ski lift tickets within the Lapland Hotels & Safaris Group. The increase weakened our international price competitiveness, as it forced us to raise our prices. This, in turn, likely affected domestic demand, since the VAT increase also applied to domestic travel tickets. Another factor influencing hotel operations has been the rapid growth of accommodation offered through various platforms such as Airbnb.

Customer satisfaction remained at a very high level across the Group, thanks to the commitment of our entire personnel. We continued our concept development work to further improve customer satisfaction, both in restaurant operations and front desk services. We also invested in cross-selling by showcasing the full range of our Group's services at various customer touchpoints to make our offering easier to find and combine. This year, we also further developed our sustainability reporting towards the requirements of the CSRD standard.

NEW CEO FOR THE NEW FINANCIAL YEAR

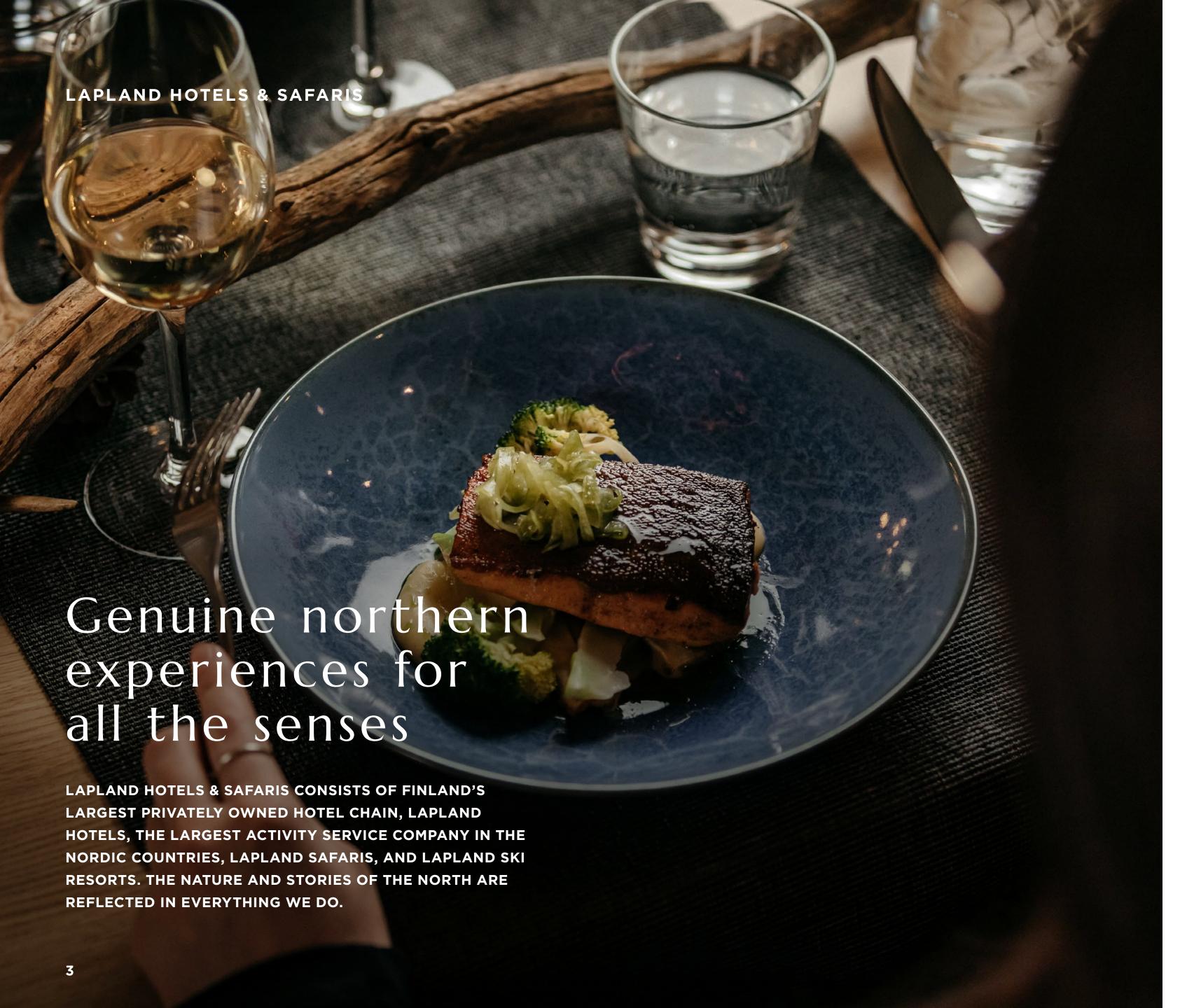
There will be changes in our organisation as Ari Vuorentausta, CEO of Lapland Hotels, will step down from operative management and move to board duties in November 2025. MSc (Econ.) Erika Ehrnrooth has been appointed as the new CEO. We would like to warmly thank Ari for his long-term contribution to developing our business and welcome Erika to the company.

During the new financial year, we will continue the concept development work to enhance customer satisfaction. To alleviate the staff accommodation challenge, we have rented dozens of new apartments in Ylläs and Saariselkä. We are also proceeding with planned investment projects, such as the Valionranta development project in Rovaniemi. International demand has remained strong, and we still expect modest volume growth. The outlook for domestic demand is more uncertain. We hope that economic and consumer confidence will recover, which would have a positive effect on domestic travel and accommodation business.

I would like to express my gratitude to our personnel, partners and, of course, our customers for the past financial year.

PERTTI YLINIEMI

Chairman of the Board Lapland Hotels & Safaris



Lapland Hotels & Safaris is a Finnish, family-owned company offering authentic northern experiences, with its roots deeply embedded in the fells of Lapland. The Group comprises Finland's largest privately owned hotel chain, Lapland Hotels, the Nordic region's largest activity service company, Lapland Safaris, and Lapland Ski Resorts.

The hotel chain includes 20 hotels, more than 2,600 rooms and apartments, and over 11,000 restaurant seats across Finland: in Ylläs, Levi, Saariselkä, Rovaniemi, Olos, Luosto, Kilpisjärvi, Pallas and Hetta, as well as in Helsinki, Tampere, Oulu, Kuopio and at Hotel Haikko Manor & Spa in Porvoo.

Lapland Safaris offers unique nature-based activities in five Lapland destinations: Rovaniemi, Ylläs, Saariselkä, Levi and Luosto.

Lapland Ski Resorts consists of five ski centres located in Ylläs, Luosto, Olos, Pallas and Rovaniemi.

The travel group also includes Santa Claus Office, Santa Claus Safaris and Lapland Husky Safaris.

Santa Claus Office enables visitors from all over the world to meet Father Christmas in Rovaniemi, at Santa Claus Village, free of charge every day of the year. Santa Claus Village is also home to Santa Claus Safaris, which offers experiences guided by elves and the Elf's Club House, where visitors can take a glimpse into the everyday life of elves. Lapland Husky Safaris, in turn, takes guests on unforgettable husky rides in Rovaniemi, Ylläs, Saariselkä, Levi and Luosto.

SOUL IN LAPLAND

We create memorable experiences through accommodation and restaurant services inspired by Lapland, as well as through activities and tranquillity drawn from the Arctic nature. Straightforward, warm and high-quality service is at the heart of everything we do – we want our guests to find peace of mind in the magic of Lapland.

Our values stem from the northern soil. We cherish responsibility in all its forms by protecting and respecting the local culture, people and our unique environment.

LAPLAND HOTELS & SAFARIS



According to our indicators, our personnel have fared well during the financial year 2024–2025, and we have continued to invest in employees' competence. Our job fill rate was excellent, reaching 99%.

For Lapland Hotels & Safaris, a healthy workplace, well-being, a functioning work community and good leadership are of key importance. These areas have once again been developed comprehensively during the financial year.

According to our surveys, our employees are doing well. We measure well-being using, among other things, our wellbeing index and the number of sick leave days. Employee satisfaction increased further in our hotels, restaurants and ski resorts. Wellbeing is also supported by personnel and sports benefits, as well as by the activities of our staff club, HEKE. The staff plan the club's activities themselves, which include guided exercise, theatre visits, jogging and team sports, and as an employer we support these activities. We also successfully advanced our reward practices during the financial year, and this development work continues.

We filled 99% of our open positions, which is a great result. The recruitment of seasonal employees went very well – each winter season we recruit around 1,200 employees. Our Pitkospuut concept aims to attract our Lapland winter employees to work in city hotels during the summer season, and vice versa. At the moment, Lapland also enjoys strong international appeal, attracting employees from abroad.

In November 2024, Lapland Safaris acquired the bus transport business of Liikenne O. Niemelä, which also had an impact on HR operations. We welcomed new colleagues as the employees of Liikenne O. Niemelä continued their careers with Lapland Safaris.

INVESTMENTS IN COMPETENCE ACROSS MULTIPLE CHANNELS

At the beginning of 2025, we launched the Chef Academy to further strengthen the skills of our chefs. The year-long training programme develops participants' professional expertise and prepares them for success in industry competitions. The programme has already produced results: Chef Joel Manninen,

a participant in the Chef Academy, was chosen as Finland's Young Chef of the Year 2025. In addition, Shift Leader Otto Hietamies reached the finals of the Chef of the Year competition, and Chef Saranukul Intha won the Finnish Championship for culinary students in 2024 and represented Finland in the Nordic championships.

During the previous financial year 2023–2024, we renewed our learning platform, Ahma, which combines a training platform, internal communications tools and an intranet section – all under one address. Since the renewal, our Orientation Path, designed for short-term employees, has received very positive feedback with an average score of 4 out of 5.

Our Ahma learning platform offers a comprehensive range of courses. The selection includes the familiar Guide School and Elf School. At present, the focus is on supervisory and leadership training, but we are moving towards role-specific competence development.

ADVANCING NEW AND ONGOING PROJECTS

In the long term, we continue to implement our HR strategy, which aims for skilled, committed, motivated, well-being and well-led personnel. We carry out continuous development work in HR-related matters, including changes arising from legislation, ongoing development projects and conceptualisation work.

In the current financial year, we will renew our employee survey and further embed our organisational and leadership culture. Our organisational culture, called NICE work community, is built on the values of being nice, warm-hearted, genuine, responsible and straightforward.

Our aim for the new financial year is also to further increase our employee return rate. With the expansion of Lapland Hotels Oulu, our accommodation capacity and service offering will grow, bringing new employees to the hotel. We will organise HR sparring sessions for management and provide short-term and leadership training for our personnel. Going forward, we will increasingly focus on data-driven management. We will also continue to emphasise occupational safety, even though our rate of workplace accidents is already low.



Hotels and restaurants

THE WINTER SEASON WAS SUCCESSFUL FOR OUR HOTELS AND RESTAURANTS IN LAPLAND IN TERMS OF INTERNATIONAL TOURISM. GENERAL ECONOMIC UNCERTAINTY CONTINUED TO KEEP DOMESTIC TRAVEL DEMAND LOWER THAN DESIRED. DURING THE FINANCIAL YEAR, LAPLAND HOTELS RECEIVED A PRESTIGIOUS RECOGNITION AS BEST HOTEL GROUP IN FINLAND.



BUSINESS OPERATIONS' UPDATES - HOTELS AND RESTAURANTS

The financial year 2024-2025 was particularly active in the international market. Customer and employee satisfaction in our hotels and restaurants improved further from the previous year and remained at an excellent level.

International tourism in Lapland was at a record-high level, while domestic tourism remained subdued. Overall, we fell slightly short of our budgeted targets. Turnover for our hotel and restaurant operations during the financial year amounted to EUR 119 million.

In June 2025, Lapland Hotels was awarded Finland's Best hotel group at the Grand Travel Award, the most respected tourism industry event in the Nordic countries. We improved our customer satisfaction during the financial year, achieving an NPS of 72, which represents an excellent level. Employee satisfaction also improved further.

International tourism in our Lapland destinations continued to grow, supported by the increasing number of flight connections in recent years, particularly to Rovaniemi and Kittilä. During the financial year, international overnight stays in Lapland increased by 10% in registered capacity, while domestic overnight stays declined by 9%, with the strongest decrease during the winter season (-17%). Overall, the total market volume in registered accommodation capacity remained nearly unchanged, and we fell slightly behind the overall market development. At our city destinations, market demand increased by 1–5%, depending on the location, and our market share remained broadly unchanged.

The 4-percentage-point VAT increase that came into effect at the beginning of 2025 weakened our price competitiveness and domestic demand. It was initially expected that the domestic market would begin to recover towards the end of the financial year, but this did not materialise.

The expansion and renovation of Lapland Hotels Oulu has progressed smoothly and on schedule. The construction work will be completed in January 2026. Once completed, the hotel will serve its guests even more comprehensively, with 96 new rooms, a new restaurant and bar alongside the existing ones, as well as additional meeting facilities.

At Lainio SnowVillage in Kittilä, a new restaurant service building was completed, and all permanent facilities were renovated. With its underwater theme, Snow-Village broke its all-time visitor record with more than 86,000 visitors.

SUCCESS IN OUR RESTAURANTS

Joel Manninen, Head Chef at the Ounasvaara Sky Kitchen & View restaurant and participant in our Chef Academy launched at the beginning of 2025, was chosen as Finland's Young Chef of the Year 2025 – congratulations! In addition, Sky Kitchen & View was ranked among the 50 best restaurants in Finland this year.

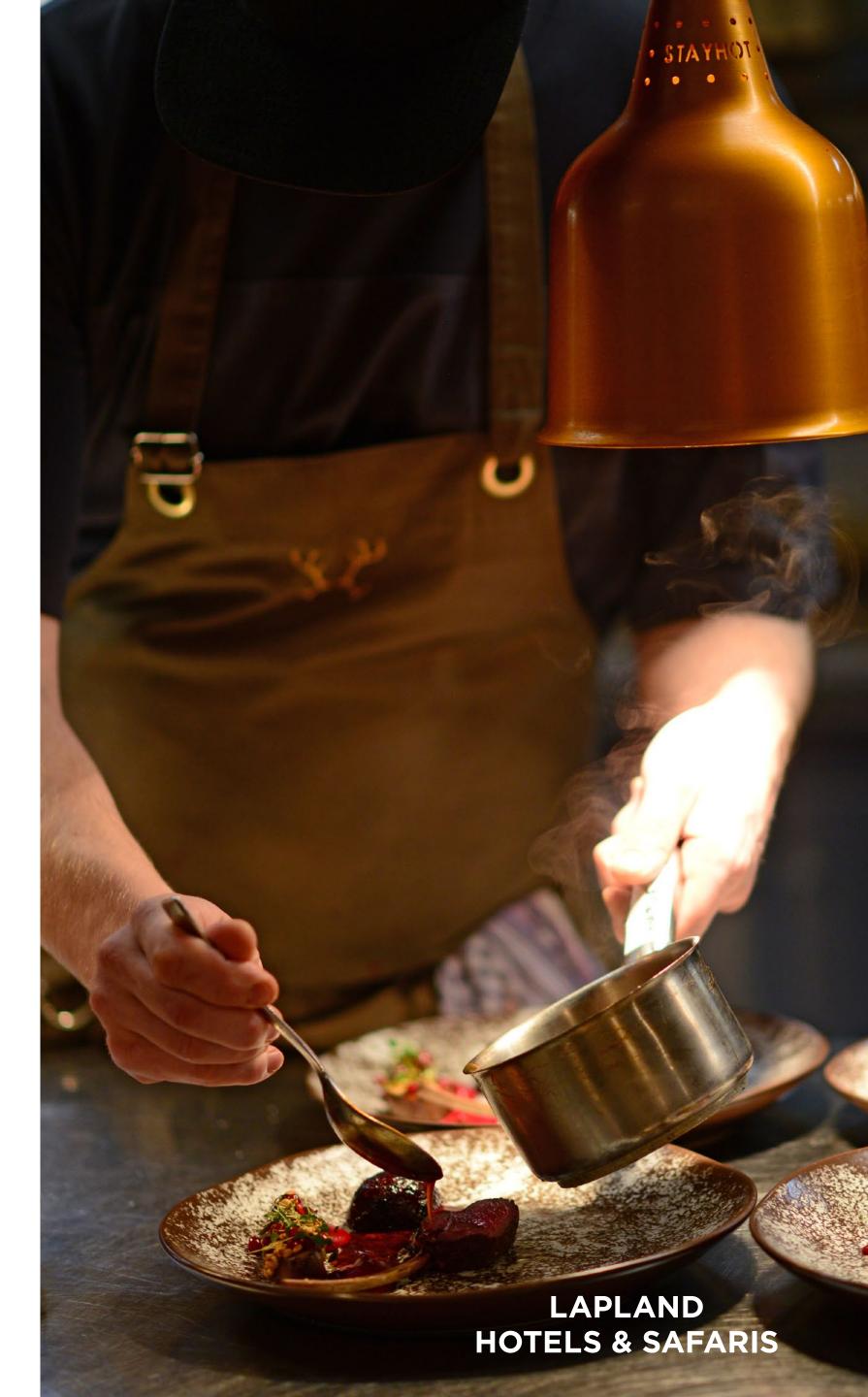
Our restaurants have continued concept development and menu innovation. For example, we are developing a new restaurant concept for Lapland Hotels Oulu that combines Italian cuisine with northern flavours. At Hotel Haikko Manor, we have introduced a meeting product in line with the Lapland Hotels concept, and the restaurant offering has also been developed during this financial year. In addition, Haikko appointed its own event coordinator, further supporting the hotel's event business development.

CONTINUED DEVELOPMENT IN THE NEW FINANCIAL YEAR

During the financial year, we continued our concept development work for customer satisfaction and invested in the improvement of our systems. Among other things, we launched our new online store and website.

In the new financial year, there will be changes in our organisation as MSc (Econ.) Erika Ehrnrooth will start as the new CEO of Lapland Hotels at the beginning of November. The current CEO, Ari Vuorentausta, will continue as a member of the board of the Group's parent company.

Demand in the international market remains strong at the start of the financial year. We have achieved the price increases we aimed for in our agreements with tour operators. During this financial year, we are seeking relative savings in our operational costs. We will also continue planning upcoming investments and development projects. Forecasting domestic demand remains challenging. We hope that the economy will start to recover, along with consumer confidence and spending.





Lapland Safaris

LAPLAND TOURISM CONTINUES TO ENJOY GREAT POPULARITY, WHICH WAS REFLECTED IN LAPLAND SAFARIS' BEST FINANCIAL YEAR EVER. THE MOST SIGNIFICANT EVENT OF THE SEASON WAS THE TRANSFER OF THE BUS TRANSPORT BUSINESS OF LIIKENNE O. NIEMELÄ TO LAPLAND SAFARIS.



BUSINESS OPERATIONS' UPDATES - LAPLAND SAFARIS

The financial year 2024–2025 was highly successful for Lapland Safaris, the leading activity service company in the Nordic region. Lapland Safaris acquired the bus transport business of its long-standing partner, Liikenne O. Niemelä, thereby taking on a new line of business. Demand for our services in the international market increased dramatically. Lapland Safaris' turnover grew by 16% compared to the previous financial year.

Turnover continued to grow, and profitability improved during the financial year 2024–2025. Of the 16% total growth, approximately 12–13% came from increased international activity sales, and the remainder from the acquisition of Liikenne O. Niemelä's bus transport business. This development made the financial year the most successful in the company's history.

Lapland Safaris completed the acquisition of Liikenne O. Niemelä's bus transport business in November 2024. Transport services are our largest subcontracted service category after reindeer and husky services, so adding these operations to our own service portfolio was a natural next step. As a result of the acquisition, together with Lapland Hotels, we can now provide our customers with a complete service package that includes accommodation, restaurant services, experiences and transport.

Demand for our services among international corporate groups increased by an impressive 75% during the financial year. In monetary terms, the largest growth came from international leisure groups. Domestic demand, in turn, declined across all segments, mainly due to the challenging general economic situation.

The northern lights, Arctic animals and Arctic experiences continued to rank among our most popular activities. For example, Santa Claus Office increased

its sales by 30% compared to the previous financial year, continuing a multiyear trend of steady growth.

PREPARED FOR CHALLENGING WEATHER CONDITIONS

The low-snow winter presented challenges for our operations during the season. The arrival of the first snow was delayed, which made it difficult to start the Christmas season as planned, since not all products could be offered from the beginning of the season. The late winter also brought mild weather, requiring special arrangements. Our experienced employees performed excellently under these challenging circumstances. However, the weather conditions were reflected in customer satisfaction, which did not quite reach the level of the previous season. Employee satisfaction also declined slightly compared to the previous year.

We continued our preparations for difficult weather conditions by developing a new hybrid igloo structure, which enables snow construction with approximately 85% less snow than a traditional igloo. We also increased our snow-making and snow storage capacity to better prepare for low-snow conditions.

The upcoming season looks promising, with moderate growth expected. Our goal is to respond even better to increasing direct consumer demand in addition to corporate group demand. For the next season, we have launched a new Santa Claus Safaris service concept in Rovaniemi's Santa Claus Village to meet the growing consumer demand for activity services brought by increased scheduled flight connections. We will also make broader use of the potential of our recently acquired transport company and continue exploring opportunities to expand its operations further.



LAPLAND SKI RESORTS

Ski resorts

TURNOVER FOR OUR SKI RESORTS DECLINED SLIGHTLY DURING THE FINANCIAL YEAR. THE LOW-SNOW WINTER MADE THE SEASON CHALLENGING, YET SLOPE CONDITIONS AND CUSTOMER SERVICE RECEIVED POSITIVE FEEDBACK DESPITE THE CIRCUMSTANCES. GROWTH WAS SEEN PARTICULARLY IN INTERNATIONAL TOURISM.



BUSINESS OPERATIONS' UPDATES - SKI RESORTS

The financial year 2024-2025 was challenging for our ski resorts in Ylläs, Olos, Ounasvaara, Pallas and Luosto, mainly due to weather conditions. However, the slopes were well maintained, and both customer feedback and employee survey results were positive. Turnover remained close to the previous year's level, decreasing by only one per cent.

The winter started late and with little snow, posing challenges for the entire industry. The number of skiing days in Finland decreased compared to the previous season. Snowmaking at our ski resorts could only begin at the turn of October and November. Due to long mild periods, we were not able to fully benefit from our equipment and resources. Despite these challenges, our employees managed to maintain excellent slope conditions.

Visitor numbers varied slightly between our ski resorts. At Ounasvaara, the early season was busy, but activity slowed down after March. In Ylläs, April was lively with many visitors. In the other resorts, the season progressed relatively steadily.

International tourism showed growth particularly in Ylläs and Ounasvaara during the February-March holiday season. The weakened economic situation was reflected in reduced domestic spending. The strike at the beginning of March posed challenges for the smooth operation of the holiday season, but we successfully mitigated the major impacts with effective special arrangements.

April was calmer than the previous year overall. For example, in Ylläs, the Easter holiday period nevertheless brought a welcome increase in visitor numbers. Among the most popular activities were Ylläs's new sled lifts, offering speed and excitement also for those who do not ski.

Turnover for the ski resorts declined by approximately one percent compared to the previous financial year. The low-snow winter and the weakened general economic situation, reflected in customers' spending behaviour, affected the season.

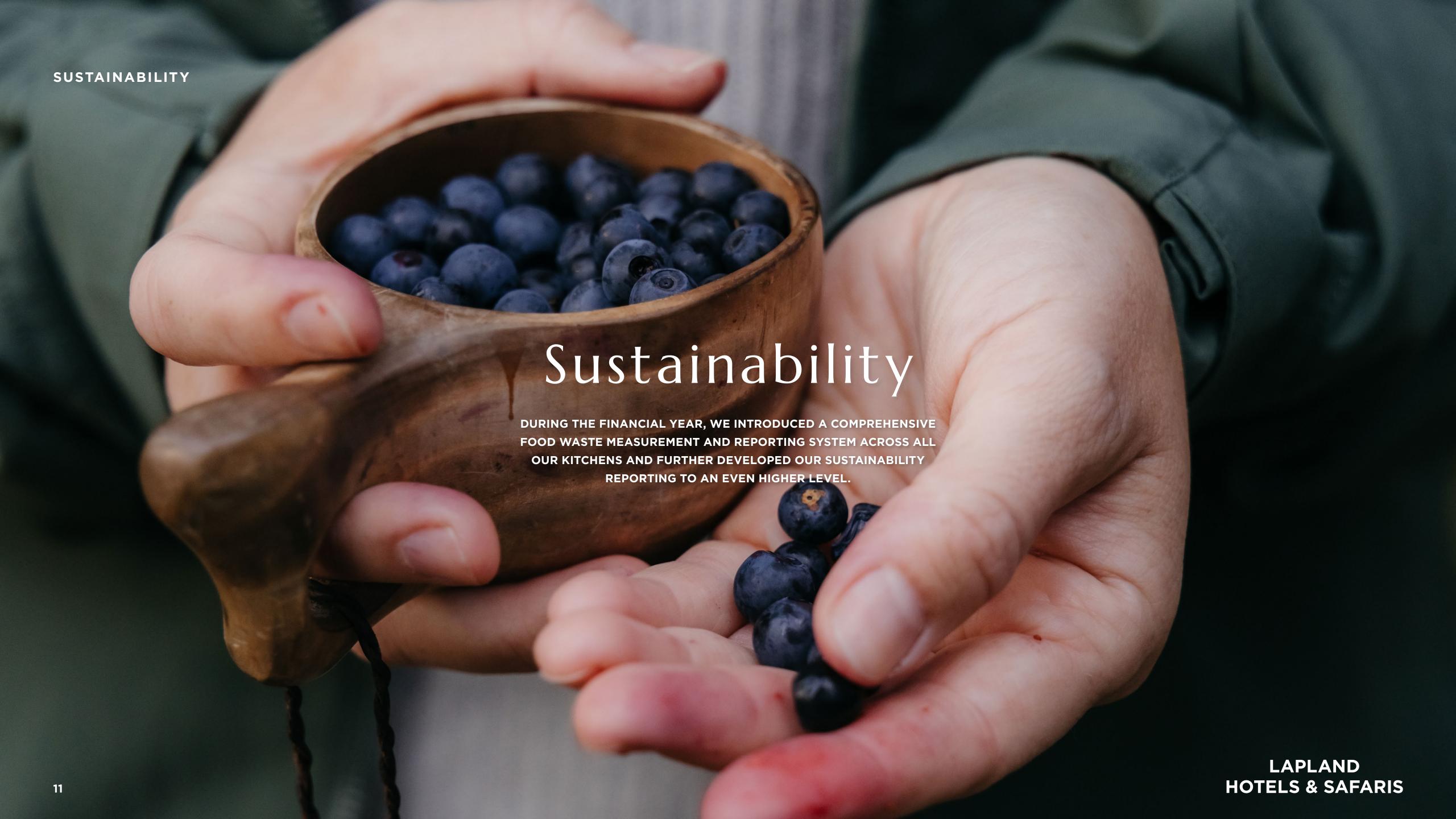
POSITIVE FEEDBACK FROM BOTH CUSTOMERS AND STAFF

During the financial year 2024-2025, several small development projects were launched. No major investment projects were initiated this season. We focused on operational continuity and maintaining existing equipment, including slope area and infrastructure maintenance, equipment servicing and repairs, and investments in lighting, gear and slope areas.

We succeeded well in recruiting seasonal employees, with all open positions filled. Employee satisfaction improved from the previous year - growth was seen in nearly all assessed areas, while one area remained unchanged. This demonstrates strong team spirit and successful operational development. We also received positive feedback from our customers, particularly for the excellent condition of the slopes and the quality of customer service.

The financial year was challenging for us and for the entire industry. We would like to extend our thanks to our skilled personnel, who served our customers professionally even under difficult conditions. We approach the new season well-prepared and optimistic. Our goal is once again to offer our customers holistic experiences in the northern nature, together with accommodation, restaurant and activity services.





Progress in food waste measurement and sustainability reporting

For us, responsibility means respecting nature and local communities, and we are committed to caring for our northern home in everything we do, every day. The most significant new initiatives during the financial year were the implementation of a comprehensive food waste measurement and reporting system in all our kitchens, as well as the continued advancement of our sustainability reporting.

At Lapland Hotels & Safaris, responsibility lies at the heart of everything we do. We use local service providers whenever possible, and it is important to us that our partners also operate responsibly. As part of the northern community, we want to develop year-round tourism in Lapland and promote local well-being in our areas of operation. Alongside our commitment to the environment, local communities and animals, we also take care of our customers and our personnel every day.

During the financial year, we implemented a comprehensive system for measuring and reporting food waste. We measure food waste in all our restaurants – from breakfasts to dinners – and use the reporting data to reduce waste, improve our menus and save costs.

A new cooperation arrangement established during this financial year with Kespro is a good example of solutions that support local small entrepreneurs – an important part of our sustainability efforts. The arrangement enables local producers to store their products in wholesale facilities, which helps to reduce food waste and brings predictability to small-scale production operations.

Many sustainability measures that once seemed challenging, such as plastic and biowaste recycling, have now become an established part of our everyday operations. In Lapland's unique conditions, increasing the recycling rate has required close cooperation with Lassila & Tikanoja, as municipal waste management does not, for example, offer biowaste recycling. We have also continuously improved recycling opportunities for our customers, and this work continues, particularly in providing guidance on sorting practices for international visitors.

TAKING SUSTAINABILITY REPORTING TO THE NEXT LEVEL

Although changes in EU regulations postponed the official reporting obligation schedule, we are determinedly advancing our reporting towards an even higher standard. We carried out a double materiality assessment in accordance with the CSRD standard and initiated a GAP analysis. Preparing for more comprehensive reporting has already helped us clarify our future priorities and integrate sustainability work even more closely into our management model.

During the financial year, we renewed our EcoCompass environmental certificate, which will remain valid for the next three years. The certificate demonstrates our commitment to systematic environmental work. Based on this certification, we also applied for and renewed the Sustainable Travel Finland (STF) environmental labels for all our units – most have already been awarded the label, and the remaining ones will receive it during the autumn. The STF label, granted by Visit Finland, is proof of completing the sustainable tourism development programme and of commitment to sustainability criteria.

In the new financial year, we will focus on further developing our sustainability reporting, particularly in relation to emissions and social responsibility. Our aim is to establish concrete targets and ensure that sustainability remains both a natural part of our daily operations and a continuously evolving area of development.

EXAMPLES OF OUR RESPONSIBILITY ACTIONS:

- Competent, committed and satisfied personnel are key to our success. We invest in good leadership and the wellbeing of our employees, both at work and during their free time.
- We continuously develop customer safety and introduce new services to improve it. Our operations utilise digital tools and vehicle-based systems that enable real-time tracking of safari locations and a safer driving experience.
- We use 100% emission-free electricity at all our destinations.
- We recycle waste at all our Lapland destinations.
- Our snowmobile safaris are conducted only on official routes.
 We are committed to compensating all carbon dioxide emissions from our snowmobile safaris and have also introduced electric snowmobiles.
- Together with kennels and a veterinarian, we have created a comprehensive Canine Welfare Criteria handbook for all Lapland Husky Safaris Oy kennels. The criteria are divided into six areas: conditions for wellbeing; healthcare and activity; medical treatment; reproduction, breeding and ageing; handling and training; and forms and documentation.
- We have implemented a food waste measurement and reporting system.
- We prioritise local small producers whenever possible.

READ MORE ABOUT OUR RESPONSIBILITY INITIATIVES:

https://www.laplandhotels.com/en/about-us/sustainability

EUR 171 Million

TURNOVER FOR THE FINANCIAL YEAR



International demand at a recordhigh level, domestic demand declined

At the beginning of 2025, the 4-percentage-point VAT increase weakened our global price competitiveness. As a result, we had to raise our prices, which in turn likely had a negative impact on domestic demand.

LAPLAND HOTELS & SAFARIS

Financial year 2024-2025



Best Hotel Group in Finland

GRAND TRAVEL AWARDS



NPS 72

EXCELLENT CUSTOMER SATISFACTION IN HOTELS AND RESTAURANTS

SNOWVILLAGE'S NEW VISITOR RECORD

Over 86,000

A new restaurant service

building was completed at

JOB FILL RATE



Lapland Hotels' new CEO

MSC (ECON.) ERIKA EHRNROOTH **FROM NOVEMBER 2025**



Employee satisfaction increased in hotels, restaurants and ski resorts



We launched a new training concept, the Chef Academy



Young Chef of the Year 2025

JOEL MANNINEN, SKY KITCHEN & VIEW

The state of the same of the s



Lapland Hotels SnowVillage, and all permanent facilities were renovated.







ROOMS





NEW RESTAURANT AND BAR



MORE MEETING **SPACES**



LAPLAND SAFARIS' BEST FINANCIAL YEAR EVER

Turnover up 16% from the previous financial year



LAPLAND SAFARIS ACQUIRED

Liikenne O. Niemelä's bus transport business



IMPLEMENTED A COMPREHENSIVE FOOD **WASTE MEASUREMENT AND** REPORTING SYSTEM



RENEWED THE ECOCOMPASS **ENVIRONMENTAL CERTIFICATE** AND STF LABELS IN ALL UNITS